

WASHINGTON STATE CONTRACTING REFERENCE GUIDE

OFFICE OF FINANCIAL MANAGEMENT

Statutory citation: Chapter 39.29 RCW

Definition of Personal Services: *Professional or technical expertise provided by a consultant to accomplish a specific study, project, task or other work statement.*

Personal Service Policies	Title	Web site
OFM Policy 15.10	General Policy on PSC	http://www.ofm.wa.gov/policy/15.10.htm
OFM Policy 15.20	– Competitive Procurement Requirements	http://www.ofm.wa.gov/policy/15.20.htm
OFM Policy 15.30	Filing, Record Keeping and Reporting	http://www.ofm.wa.gov/policy/15.30.htm

Guide to Personal Service Contracting – <http://www.ofm.wa.gov/psc/psctoc.htm>

This booklet provides more detail regarding the policies above and provides best practices for PSC contracting.

Personal Service Competitive Dollar Thresholds (eff. 6/11/98)	Type of Competition (Refer to the Guide to Personal Service Contracting for more detail.)
\$0 - \$4,999	No competition required. Written contract executed
\$5,000 - \$19,999	Informal competition. Letter to minimum of three parties, written responses received. Document in writing selection process. Written contract executed.
\$20,000 and higher	Formal competition. Advertising solicitation required in major daily newspaper. RFP or RFQQ issued. Written proposals received. Formal evaluation conducted and documented based on solicitation document requirements. Written contract executed.

FILING Personal Service Contracts – Filing means delivering a personal service contract (and amendments) to OFM for public inspection and for OFM review and/or approval.

PSC Filing Dollar Thresholds	Personal Service Contract/Amendment	Filing Period
\$0 - \$4,999	No filing required.	
\$5,000 - \$19,999*	<p>Sole Source – Filing required for OFM review. (singly or cumulatively awarded to a contractor in a fiscal year period by an agency.)</p> <p>Emergency contracts of \$5,000 or greater, filed for review (no maximum)</p> <p>Competitive – No filing required.</p>	<p>10-working days from date of filing with OFM before work can start.</p> <p>To be filed 3-working days from date of execution or start of work, whichever is sooner.</p>
\$20,000 and higher*	<p>Sole Source – Filing Required for OFM approval. Sole source ad to be published.</p> <p>Competitive – Filing required for OFM review or approval, depending on filing category.</p>	10-working days from date of filing with OFM before work can start.

PSC Filing Dollar Thresholds	Personal Service Contract/Amendment	Filing Period
\$20,000 and higher*	<p>OFM Approval required: Competitive contracts for the following services: management consulting, organizational development, marketing, communications, employee training and employee recruiting. Amendments to these contracts are also subject to filing and the ten working day filing period.</p> <p>Amendments that are greater than 50% of the original contract value and/or that substantially change the scope of work are also subject to OFM approval and the ten working day filing period, regardless of category of service.</p> <p>Competitive contracts subject to OFM review include: technical research services, auditing, social research, financial services, legal, computer services, etc.</p>	<p>10-working days from date of filing with OFM before work can start.</p> <p>10-working days from date of filing with OFM before work can start.</p> <p>Work may begin the date filed with OFM.</p>

NOTE: *Institutions of Higher Education file state-funded contracts and amendments only. State funds for the purposes of filing means dollars which are: (1) appropriated by the Washington State Legislature, and/or (2) allotted by the agency. These non-state funded contracts and amendments are reported to OFM at the end of each fiscal year.

Contracts Exempt from Filing and Competitive Procurement (RCW 39.29.040):

- *Contracts of less than \$5,000 – Sole source contracts under this amount are filed when the cumulative total of contracts awarded to a single firm in a fiscal year equals or exceeds \$5,000.*
- *Contracts where the rate is set by public hearing.*
- *Intergovernmental agreements – Chapter 39.34 RCW*
- *Contracts for services where a Standard Fee is set for the services and a like contract is available to all qualified.*
- *Contracts for conduct of collaborative research where the proposed firm is named in the grant application and approval is granted by the fund source.*
- *Contracts for Client Services which are services provided directly to agency clients.*
- *Contracts for Architectural and Engineering services. These are reported to OFM quarterly.*
- *Contracts for Expert Witness services*
- *Contracts for Bank Supervisory agreements.*
- *Contracts authorized as exempt by the Director of OFM.*

GENERAL ADMINISTRATION/Office of State Procurement (OSP)

Statute: Chapter 43.19 RCW and WAC 236-48

OSP solicits and awards contracts on behalf of state agencies and delegates authority for purchasing.

Goods and/or purchased services. Material, supplies, services and equipment offered for sale by a supplier(s) and required by an agency to accomplish continuing and necessary functions unless statutorily exempted from chapter 43.19 RCW as a personal service under RCW 39.29.006 (8); an architectural and engineering service under RCW 39.80.020(5); or data information systems and telecommunications equipment, software, and services under chapter 43.105 RCW. GA/OSP awards mandatory state contracts and convenience contracts.

General Authorities. OSP issues General Authorities which are the formal delegation of purchase authority for certain goods and services to all general government agencies conducting acquisitions under RCW 43.19. The General Authorities authorize agencies to make their own purchases for identified goods and services following state procedures outlined in the document. An individual agency may also be given "specific authority" by OSP for purchases unique to

them. Procedures apply regardless of source of funds. Institutions of higher education have primary statutory authority to conduct their procurements for their goods and services under RCW 28B.10.029.

See General Authorities issued for 7/1/01 – 6/30/02: <http://www.ga.wa.gov/purchase.htm>. Highlights below:

G1. Competitive Thresholds:

Dollar Thresholds	Type of Competition
\$0 - \$2,999 (effective 6/24/99) (excluding sales tax and freight)	Direct buy – no competition required.
\$3,000, - \$40,999 (effective 7/1/01) 3,000 - 42,300	Informal competition - Record of Competition form used with process documented. Award generally based on quote. (In most instances, agencies only have authority up to \$10,000.)
\$41,000 and higher (effective 7/1/01) 42,301	Formal competition. Solicitation issued, public bid opening conducted, price generally weighted highest. (In most instances, agencies only have authority up to \$10,000.)

Agencies are delegated authority to conduct a purchase if it is \$10,000 or less except if the item is:

- On mandatory state contract;
- A mandatory item at Central Stores;
- A purchase required to be referred to OSP;
- Covered by general authorities G2 – G5.

G3. Purchased services (commodity code 97) are delegated to state agencies without dollar limitation if they are not covered by a mandatory state contract. (Exception: moving services are conducted by OSP without dollar limitation) Refer to the general authorities for these and other exceptions.

G4. Sole Source and Special Market Conditions – Agencies may conduct a purchase for any dollar value when a sole source or special market condition applies.

DEPARTMENT OF INFORMATION SERVICES

Statute: Chapter 43.105 RCW

Purchased Services – Services provided by a vendor to accomplish routine, continuing, and necessary functions. This term includes, but is not limited to, services required for equipment maintenance and repair, operation of a physical plant, security, computer hardware and software installation and maintenance, data entry, keypunch services, programming services and computer time-sharing. (RCW 43.105.020)

The Information Services Board (ISB) has authority over the purchase of all information technology (IT) investments made by executive and judicial branch agencies. The ISB delegates authority to agencies. Agencies are responsible for the management and use of information systems, telecommunications, and IT equipment, software, and services. Except for "policy exceptions," agency directors are granted a minimum delegated authority of \$250,000 if items (a) through (d) are followed. Agency directors are granted delegated authority of \$1 million or greater if items (a) through (e) are followed:

- a. Agency has reviewed its IT plans, proposals and acquisitions from a financial and management perspective as part of its budget process.
- b. Agency has a documented acquisition process that provides competition and accountability for purchases and expenditures and adheres to the provisions of this policy.
- c. Agency follows state technical standards for IT except under those circumstances that warrant waivers to the standards.

- d. Agency follows the complaint and protest procedures outlined in the IT Investment Standards.
- e. Agency has complied with the provisions of the portfolio policy.

Applies to all executive and judicial branch agencies and educational institutions that operate, manage or use IT services or equipment to support critical state business functions, regardless of fund source. When ISB or DIS approval is required, it must be obtained before conducting the acquisitions and before releasing a formal solicitation document. ISB may exempt enterprise-wide or emerging technologies from an agency's delegated authority. Agency delegated authority and DIS consultant assignment list: <http://www.wa.gov/dis/portfolio/consultantsanddelegatedauthority.htm>

IT Portfolio Management (PM) – <http://www.wa.gov/dis/portfolio>

PM is: (1) a management tool used to ensure close alignment between an agency's business goals and its IT expenditures, and (2) a communication tool to assist the executive level and stakeholders in understanding the agency's IT infrastructure and supporting appropriate IT solutions to business problems.

Competitive Thresholds (Effective 12/00)

Dollar Threshold	Type of Competition
\$ 0 - \$9,999	Direct buy permitted. No competition required.
\$10,000 - \$99,999	Competition required. Advertising optional. Submit written or verbal requirements to a minimum of 3 qualified vendors.
\$100,000 - \$249,999	Competition required. Advertising optional. Provide written requirements to a minimum of 5 qualified vendors.
\$250,000 - \$1 Million & Above	Competition required. Advertising required in regional newspaper and on the Internet. Provide written requirements to all that request.

Sole source may be used when there is one supply source and at least one of the following conditions is present:

- Technological compatibility with the current installed base.
- Demonstrated evidence of technical or economic advantage.

Sole source method may also be used when at least one of the following conditions is present:

- Recovery from a disaster
- A law or grant requires a single source
- Unique functionality.

ISB Approval is required under one or more of the following circumstances:

- The investment was placed under ISB oversight by legislative proviso.
- The ISB places the investment under its oversight.
- The investment was rated oversight level 3.
- The investment cost exceeds the agency's delegated authority.

DIS approval is required under one or more of the following circumstances:

- Investment cost is more than the agency's delegated authority.
- Acquisition process to be used is a technology assessment.
- Investment was rated oversight level 2 or is part of a project that was rated level 2.
- Investment is exempted from delegated authority.

OTHER PROCUREMENT STATUTES:

- Public Works - RCW 28B.10.350, 39.04, and 43.19.450
- Engineering and Architectural Services – Chapter 39.80 RCW
- Printing Services – Chapter 43.78 RCW
- Insurance and Bonds – RCW 43.19.1935